ANNEXURE A.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

NOTIFICATION.

No. D/C 872-F.

Simla, the 25th July 1940.

It is notified for general information that the Government of India 3 per cent Defence Bonds 1946, repayable at Rs. 101 for every Rs. 100 nominal on the 1st August, 1946 and bearing interest at 3 per cent per annum, payable half-yearly, which interest will be liable to income-tax, will be obtainable with effect from the 1st August 1940 until further notice.

1. APPLICATIONS FOR BONDS.—The Bonds will be available at the offices of the Reserve Bank of India, Bombay, Calcutta, Delhi and Madras, at branches of the Imperial Bank of India at other places in India, and at all Government treasuries.

2. INTEREST.—The first interest payment due on the Bonds for the full half-year ending the 31st January 1941 will be made on the 1st February 1941, and thereafter interest will be payable half-yearly on the 1st of August and the 1st of February. No interest will accrue on the Bonds after the date fixed for repayment.

3. ISSUE PRICE.—The prices at which the Bonds can be purchased are as follows :—

Bonds purchased on any date from the—

	Price per Rs. 100 nominal
1st August 1940 to the 10th August 1940	**100 0 0**
12th August 1940 to the 17th August 1940	**100 0 9**
19th August 1940 to the 24th August 1940	**100 1 6**
26th August 1940 to the 31st August 1940	**100 2 3**

and thereafter at prices increasing by 9 pies per cent weekly up to the 31st January 1941. This weekly increase approximates to the net interest which accrues weekly on the Bonds.

Conversion Terms.

4. **5 per cent Loan, 1940-43**, will be received in payment of the purchase price of the Bonds at its full maturity value, that is to say, at Rs. 100 for Rs. 100 nominal of the Loan tendered. If the maturity value of the Loan tendered is not an exact multiple of the issue price per cent of the Bonds, the tenderer will receive in cash, at the time of issue of the new securities, the amount by which the value of the Loan tendered exceeds the nearest lower multiple of the issue price.

EXAMPLE.—An applicant tenders on the 19th August 1940, Rs. 25,000 nominal value of the 5 per cent Loan, 1940-43, in payment of the purchase price of the 3 per cent Defence Bonds, 1946. The value of the Loan tendered being Rs. 25,000, the applicant will receive Rs. 24,900 nominal of the Bonds and Rs. 76-10-6 in cash.

Interest on the securities accepted for the purchase of the Bonds at the rate of 5 per cent per annum up to the 30th September 1940, inclusive, will be paid in cash at the time of issue of the new securities.

Supplementary Provisions.

5. The Bonds will be issued in the form of—

(*i*) Stock, the applicants for which will be given Stock Certificates, or

(*ii*) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes.

6. Applications for the Bonds may be for Rs. 100 or any multiple of that sum.

7. Applications may be in the form attached hereto or in any other form which states clearly the amount and description of the securities required, the full name and address of the applicant and the treasury or sub-treasury at which interest is required to be paid.

8. Applications should be accompanied by the necessary payment in any of the forms mentioned below—

(*a*) CASH OR CHEQUE.—Cheques tendered at offices of the Reserve Bank or the Imperial Bank of India should be drawn in favour of the Bank concerned and cheques tendered at treasuries in favour of the Treasury Officer.

(*b*) 5 PER CENT LOAN, 1940-43.—Applicants who tender securities in payment must transfer such securities to Government,

(*i*) in the case of Promissory Notes by endorsing them with the words "Pay to the Governor General in Council" over their signature, and

(*ii*) in the case of Stock, by signing the form of transfer deed on the back of the Stock Certificate before a witness.

9. Brokerage will be paid at the rate of 1/16th per cent to recognised bankers and brokers on applications for Bonds bearing their stamp.

By order of the Governor General in Council,

C. E. JONES,

Secretary to the Government of India.

FORM OF APPLICATION.

I/We .....

herewith tender cash Rs.....

Cheque for Rs.....

5 per cent Loan, 1940-43, of the nominal value of Rs.....

and request that securities of the 3 per cent Defence Bonds, 1946, of the nominal value of Rs.....may be issued to me/us in the form of.....

Promissory Note(s)*/Stock Certificate(s), interest to be payable at .....

Signature.....

Name. (in full).....

Address.....

.....

Dated, the.....

NOTE 1.—Securities tendered for conversion should be endorsed with the words "Pay to the Governor General in Council" over the signature of the applicant, if they are in the form of Promissory Notes, and the transfer deed on the back should be signed by him before a witness, if they are in the form of Stock Certificates.

NOTE 2.—Separate application should be made for each form of subscription, and for each form of scrip (Stock Certificate or Promissory Note) of the Bonds required.

*Promissory Notes will be issued in denominations of Rs. 100, Rs. 200, Rs. 500, Rs. 1,000, Rs. 5,000, Rs. 10,000, Rs. 25,000, Rs. 50,000 and Rs. 1,00,000. State here particular denominations required.